

**Phaunos Timber Fund Limited
("Phaunos" or the "Company")**

Phaunos job creation

(12 January 2009), Phaunos Timber Fund Limited (the "Company"), the closed-ended investment company managed by FourWinds Capital Management and established to invest in timberland and timber related assets on a global basis, today announces the Company's job creation figures, following recent expansion into new markets, in addition to future job creation projections.

As announced in November 2008, Phaunos has entered the East African market through its investment of US\$22.7 million in Green Resources AS ("Green Resources"). Green Resources currently employs over 3,000 people, of which 600 are permanent employees. Of this figure, approximately 40 per cent are women.

Thus far, Phaunos' investments have been responsible for the creation of approximately 800 jobs globally, which is equivalent to 550 full-time employees. FourWinds Capital Management estimates that the full deployment of Phaunos' investments will generate over 21,000 jobs, which is equivalent to 5,000 full-time employees. The majority of jobs created will be rural, where employees will be responsible for planting and maintaining forests.

In China, another region benefiting from Phaunos' recent investment focus, FourWinds Capital Management expects the full deployment of investment will produce over 10,000 jobs, equivalent to over 3,000 full-time employees.

The Company believes these estimates are conservative as they do not take account of the secondary effect, that is, indirect job creation.

Keith Oates, Chairman of the Phaunos Board of Directors, said: "Phaunos considers carefully the social responsibility component in our investments, which help communities in underserved regions. Phaunos' investment in East Africa is a great example of the possibility to combine attractive returns with social investing. Green Resources has a compelling business strategy, which, at the same time, alleviates poverty in rural areas in Tanzania, Uganda and Mozambique through the provision of employment, infrastructure and schooling."

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Notes to Editors

www.phaunostimber.com

Phaunos Timber Fund Limited is a closed ended investment company registered and incorporated in Guernsey on 28 September 2006 with an unlimited life. The Company has two classes of share in issue, US Dollar denominated Ordinary Shares and C Shares. The Company has raised a total of US\$ 557.1 million (before expenses) through several placings of Ordinary Shares and C Shares.

The Company raised approximately US\$115 million through a placing of 115,150,000 Ordinary Shares at a price of US\$1 each on the 20 December 2006. The Company raised US\$370 million in June 2007 through a placing of 355,769,230 Ordinary shares at placing price of US\$1.04 per share. These shares began trading on 5 June 2007. In July 2008, the Company raised a further US\$33 million through a placing of 31,480,376 Ordinary Shares at a price of US\$1.05 each. These shares began trading on 11 July 2008.

In October 2008, the Company raised US\$18.5 million through the first tranche of its placing of unlisted C Shares as US\$1.00 per share. A further US\$20.37 million was raised through the second tranche placing of C Shares at US\$1.00 per share in December 2008.

The Ordinary Shares of the Company were admitted to trading on the Main Market on the 11 June 2008 and are admitted to listing and trading on the CISX.

The Company's investment objective is to provide shareholders with attractive long term total returns, expected to be in the form of capital appreciation but with some income, through a diversified portfolio of timberland and timber-related investments.

The Group intends to seek investments that meet or exceed the guidelines set out in the Sustainable Forestry Initiative and, wherever possible and practicable, to certify the lands under the Forest Stewardship Council guidelines

Investments are managed by FourWinds Capital Management.

The company ticker is PTF.